2003-2005

WASHINGTON STATE DEPARTMENT OF INFORMATION SERVICES

Strategic Plan and Operating Budget
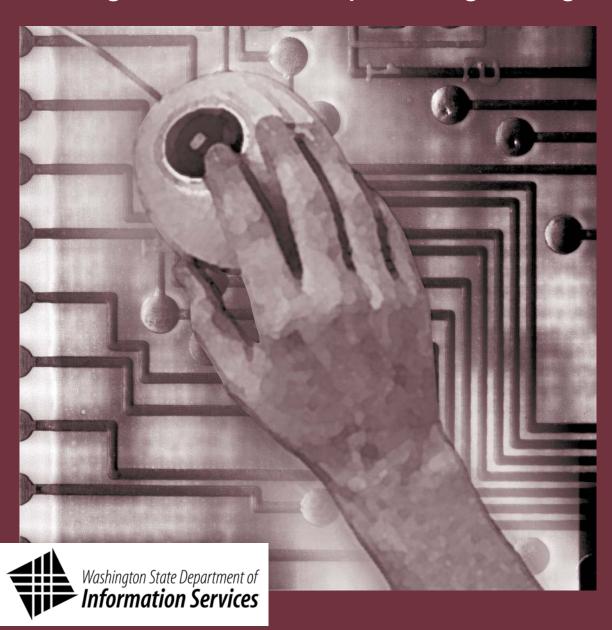
Washington State Department of
Information Services

TABLE OF CONTENTS

AGENCY MISSION AND GOALS

Vision

Powering government for the 21st century

Mission

Transforming government through reliable, effective and innovative technology leadership

Goals

- Maximize the use of Washington's **world-class** IT infrastructure

- Foster **collaborative** approaches for solving business problems

- Encourage **innovative** uses of technology through vision, strategic planning and policy

- Build trusted partnerships through first-class **customer** service

- Provide **cost-effective** access to technology products and services by aggregating public sector demand

- Strengthen public confidence through **reliable** services

Mission description

The Department of Information Services harnesses the promise and power of technology, allowing public stewards to better serve the needs of Washington state citizens. DIS supports Washington's public sector with technology leadership, solutions, services and policy, and provides the structure for acquiring and using information technology to govern, deliver public services and conduct government business more effectively.

Reliability The DIS Data Center is one of the largest in the Northwest, processing more than three million daily transactions, including payments to people receiving unemployment benefits, payments for social services, the state's payroll and much more. DIS customers and the citizens of the state expect exceptionally high reliability from these mission-critical government systems. From a technical perspective, this means 99.999 percent reliability of systems. If for any reason the Data Center were unable to process these transactions — because of a natural or man-made disaster — the effect on individuals and on the state's economy would be profound.

To enhance our ability to guarantee 99.999 percent reliability, DIS will work collaboratively with other state agencies and local governments to establish appropriate Business Resumption options, including a redundant data center east of the Cascade Mountains. This second data center will support business continuity and mission critical systems and help create high-tech jobs and economic development initiatives for Eastern Washington.

Effective Government The Pacific Northwest is one of the most technology-savvy areas in the country. Nationally, about 60 – 65 percent of the population has Internet access. In the state of Washington, about 80 percent of the population has Internet access, and in some locations, about 90 percent of the population has Internet access.

People solve problems through the effective, innovative use of the tools available to them. Technology is one tool that can be harnessed to address the ever-changing business requirements of government. As with leadership in any effective organization, government leaders must continue to constantly evaluate and challenge technology and business assumptions to ensure that processes are as effective as possible. To ensure we have the most effective government possible, we must maximize our investment in technology and share infrastructure and ideas across government jurisdictions, so that all the citizens of our state, no matter where they live, can benefit from best practices, shared infrastructure, collaboration and creativity in government.

Innovation Our citizens expect excellent customer service, around-the-clock online availability, and new services to ensure government technology implementations provide the appropriate level of service to the citizen when and where it is needed. DIS fuses technology and collaborative activities to enable agencies to deliver services that are not possible today. It is this hard work, dedication and focus that have established the State of Washington as a leader in technology innovation.

DIS at a Glance

Daily hours of operation at DIS	24
Days per year that DIS operates customer systems	365

Telecommunications

Telephones provided	More than 50,000
Long distance calls processed (per month)	More than 2,000,000
Long distance minutes processed (per month)	More than 9,000,000
Conference call minutes processed (per month)	More than 76,000
Conference calls / participants (per month)	Approx. 3,000 / 20,000

Operations

Raised floor in the DIS Data Center (square feet)	25,000
Mainframe online transactions (CICS transactions per month)	110 million
Computer processing service units (per revenue dollar)	20,783
Data storage volume used by DIS customers	25 terabytes[1]
Intergovernmental Network (IGN) (local government) traffic (billions of bytes per month)	5,096
Brokering business volume (dollars annually)	More than $40 million
Master contract purchases (dollars annually)	More than $115 million

---

[1] Terabyte = one trillion characters

Production

Driver's licenses processed through DIS systems	557,288
Vehicle registrations processed through DIS systems	5 million
Law enforcement inquiries (drivers and vehicles)	6,104,059

Web properties

Web pages viewed (per month)	1.6 million
Ask George™ search queries (per month)	160,000

K-20 Educational Network

Number of education sites connected via K–20 Network (99.5 percent of districts)	426[2]
Video conference usage (minutes per month)	6,000
K-20 intranet traffic (billions of bytes per day)	1,938

Warrants

Number of customer organizations DIS serves	682
Value of payroll printed monthly by DIS	$220 million
Unemployment (warrants printed weekly)	More than 450,000
Workers' compensation (warrants printed monthly)	123,139
Public assistance (warrants printed monthly)	222,288

DIS Services

DIS customers acquire information technology services from DIS on a discretionary basis; therefore, customer business needs and priorities drive the technologies DIS provides. DIS is able to aggregate demand for hundreds of technology products and contracted services to achieve attractive volume pricing.

Currently, DIS provides services in the following areas:

Voice Telecommunication Services DIS manages more than 50,000 local telephone lines and serves more than 150,000 individual users in 500 public organizations with SCAN and SCANPlus long distance services.

Wide Area Network Services including Internet connectivity for public sector customers, the state government Campus Fiber Network, and stakeholder networks such as the K-20 Educational Telecommunications Network and the Intergovernmental Network

Network Security Services that protect the integrity of data traffic on public networks, and give secure access to field workers, telecommuters and others who use state computing systems from outside network firewalls

---

[2] 99.5 percent of districts

Mainframe Computing Services that process over three million daily transactions in the DIS Data Center, the one of the largest data centers in the Pacific Northwest

Mainframe Production Services for core state services, including annual output of nine million public assistance checks, seven million unemployment insurance payments and hundreds of thousands of other mission-critical outputs each month

Enterprise Data Storage Services provides 25 terabytes (terabyte = one trillion characters) total disk and tape storage for applications on mainframe and in server environments

Business Continuity Services to ensure the backup, recovery and remote operation of customers' critical processing systems in the event of a Data Center evacuation

Application, Web Site and Server Hosting with a myriad of cost-effective hosting options for large and small organizations, secured around-the-clock in the DIS Data Center

Video and Telephone Conferencing Services for moving ideas without moving people — through phone and video connectivity across the state, across the nation or around the world

Web site Development including all graphic design and technical aspects of building an effective Web site

Multimedia Design for interactive training, educational or public service programs and materials on CD-ROM or via the Web

Online Payment Services that allow citizens and businesses to purchase items from or pay fees to governments and non-profit organizations over the Internet

Video Broadcast Services, including webcasting and satellite broadcasting of live or pre-recorded programs produced by public organizations

Video Production for professional, broadcast-quality programs filmed in-studio or in the field

Competitively Priced Brokering of software, desktop computers and cellular equipment from industry-leading suppliers, offered in the Washington State Technology Mall (TechMall)

Competitively Bid Master Contracts for a wide variety of proprietary technology services, including industry research, search engine components and Web-based customer support

Access Washington™ Internet portal, the single electronic "face" of Washington state government, that provides public access to government information and services, including fee-based transactions

Inside Washington™ statewide intranet portal, designed for government-to-government and government-to-employee business over the statewide government intranet

Transact Washington™ a single, secure gateway to transaction-based applications for authorized users. A digital certificate provides the credential for access to these services, which are offered by many government agencies

Digital Government Academy brings technology and business leaders from multiple agencies together to solve shared business problems and quickly replicate a technology solution for use by the whole enterprise

THE AGENCY'S STATUTORY AUTHORITY

Purpose

The Department of Information Services (DIS) was formed through the consolidation of the state's four independent data processing and communications systems in 1987. DIS is a cabinet-level agency organized to provide leadership, policy and service choices for the use of information technology within state and local governments. The legislative intent in creating DIS was to make government information and services more available, accessible and affordable. The Legislature also created the Information Services Board (ISB) to provide coordinated planning and management of state information technology services. DIS provides staff support to the ISB. Chapter 43.105 RCW establishes the ISB structure and outlines DIS' statutory authority.

Powers and duties granted to DIS

- To provide technology services on a cost-recovery basis to state agencies, local governments and public benefit nonprofit entities; these services are for discretionary rather than mandatory use by customer organizations

- To establish rate structures that recover the costs of providing services

- To establish and appoint members of a Customer Advisory Board to advise DIS on service-related issues

- To perform work delegated by the ISB, including the review of agency portfolios, the review of agency investment plans and requests, and implementation of statewide and interagency policies, standards and guidelines

- To review and make recommendations on agencies' funding requests for technology projects and to monitor the progress of those projects after they receive funding

- To review and approve standards and common specifications for new or expanded telecommunications networks proposed by agencies, public post-secondary institutions, educational service districts or statewide or regional providers of K-12 information technology services

- To collaborate with the ISB and agencies in the preparation of a statewide strategic technology plan and its related Washington State Digital Government Plan

- To prepare, with direction from the ISB, a biennial state performance report on information technology that includes, at a minimum:

  1. An assessment of progress made toward implementing the state strategic information technology plan

  2. An analysis of the success or failure, feasibility, progress, costs and timeliness of the implementation of major technology projects

  3. Identification of the benefits, cost avoidance and cost savings generated by major information technology projects

  4. An inventory of state information services, equipment and proprietary software

The Information Services Board

The Information Services Board is the entity to which the Legislature has delegated IT acquisition, policy development, planning and oversight authority for the agencies of the executive and judicial branches.

Washington is committed to using technology to improve information and service delivery; accordingly, IT policies are developed to guide the rapid changes. While the statutory responsibility for the acquisition and management of IT resources rests with agency heads, the ISB establishes policies that guide those activities.

The ISB's 15 members are drawn from the executive, judicial, and legislative branches; the administrative sections of higher education; an agency headed by a statewide elected official other than the Governor; and the private sector. The Governor appoints eight of the members. Permanent voting members include the DIS director.

Powers and duties granted to the Information Services Board

- To develop statewide or interagency technical policies, standards and procedures

- To review and approve standards and common specifications for new or expanded telecommunications networks proposed by agencies, public post-secondary education institutions, educational service districts or statewide or regional providers of K-12 information technology services, and to assure the cost-effective development and incremental implementation of a statewide video telecommunications system to serve public schools, educational service districts, vocational-technical institutes, community colleges, colleges and universities, state and local government and the general public through public affairs programming

- To purchase, lease, rent or otherwise acquire, dispose of and maintain equipment, proprietary software and purchased services, or to delegate to other agencies and institutions of state government, under appropriate standards, the authority to purchase, lease, rent or otherwise acquire, dispose of and maintain equipment, proprietary software and purchased services

- To develop standards governing the acquisition and disposition of equipment and proprietary software, the acquisition of purchased services and the confidentiality of computerized data

DIS' Management and Oversight of Strategic Technologies division (MOST) serves as staff to the Information Services Board, consulting with agencies in the management and oversight of technology acquisitions, projects and resources; developing IT-related policies and standards; and coordinating multi-agency and multi-jurisdictional initiatives. As staff to the ISB, MOST implements delegated board projects, researches and prepares state IT policies for the board's approval, and works closely with agencies to ensure that such technology policies are realistic.

CUSTOMER CHARACTERISTICS

Demographics

In the 2001 fiscal year, 682 agencies, cities, counties, public education institutions, tribal organizations, municipal public service providers and qualifying non-profits weighed their options and chose technology services from DIS.

The total number of DIS customers is expected to remain relatively constant over the next biennium. With increased outreach, particularly to non-state agency customers, DIS expects to see changes in the number and types of services chosen by the customer organizations within the categories below.

The DIS customer base includes:

134 school districts/educational service districts	33 public utilities
111 state agencies	26 fire districts
93 cities and towns	15 ports
56 local public organizations	14 hospitals
48 non-profit organizations	14 tribes
39 counties	10 capitol campus news media offices
38 higher education organizations	9 libraries
36 commissions and associations	7 local divisions of federal organizations

Major customer systems supported by DIS

While DIS serves a diverse customer base, the agency's core business is built around major state agency systems that must be operated 24 hours a day, seven days a week, 365 days a year. The following systems are entrusted to the DIS computing and networking infrastructure, using an integrated set of DIS services.

- The **Department of Social and Health Services** (DSHS) is Washington state's comprehensive human services agency, providing services to one of every five citizens. As the state's largest agency, it operates eight major technology applications at DIS that support DSHS' multiple missions. These applications include the Automated Client Eligibility System (ACES). ACES is generally recognized as the largest and most comprehensive system in Washington state government, administering over $2 billion in annual client benefits for approximately 450,000 households.

- The **Department of Labor and Industries** (L&I) is a highly automated organization that relies heavily on information technology to perform its daily activities. L&I provides workers compensation insurance, safety and health consultation and compliance, crime victim support and many programs that help reduce worker illness and injury in the state. The agency also issues electrical permits, registers construction contractors, inspects elevators, boilers and factory-assembled structures and administers many of the state's labor laws. L&I uses DIS infrastructure to maintain Industrial Insurance accounts for more than 150,000 employers. The agency also processes approximately 180,000 workers compensation claims through DIS

systems each year, paying benefits for medical costs and lost wages with 45,300 checks every month.

- The **Employment Security Department (ESD)** uses its mainframe-based General Unemployment Insurance Development Effort (GUIDE) system to calculate eligibility, distribute benefits and produce reports for clients eligible for public assistance. It is one of state government's two largest client eligibility applications. In April 2002, ESD implemented the Internet-based Services, Knowledge and Information Exchange System (SKIES) in support of the WorkSource Washington employment and training program. SKIES is a case management program that enables WorkSource staff to assist clients in finding employment and enrolling in occupational training programs.

- The **Department of Corrections** (DOC) uses its mainframe-based Offender Based Tracking System (OBTS) to track information on adult felony offenders during their time as inmates, parolees and probationers or otherwise under the department's supervision. In 2000, DOC initiated a multi-phase project known as Offender Management Network Information (OMNI) to replace OBTS. OMNI is a Web-enabled application that supports new agency business practices defined by the Offender Accountability Act passed by the Washington State Legislature in 1999.

- The **Department of Personnel** (DOP) facilitates Washington's efforts to attract, develop, and retain a productive workforce for the state. In addition, DOP is responsible for the operation of the state's payroll system. The personnel and payroll systems are processed at DIS on the IBM mainframe. This system produces a $220 million payroll on 105,000 state paychecks and earnings statements every month.

- The **Department of Licensing** uses several mainframe applications at DIS to manage an array of state licensing responsibilities. Over 5 million vehicles are licensed annually and almost one million citizens receive or renew their driver licenses annually. The professional licensing system administers the business licensing requirements of 450,000 professionals; collecting the receipts, distributing licensing revenues and accounting for all transfers in and out of the system. The department is planning to migrate all of these applications to new server platforms in the 2003-05 Biennium.

- The **Department of Retirement Systems** serves current and retired state workers through several multi-level retirement plans. The current member database has approximately 890,000 members and runs on DIS computing infrastructure. The state's Deferred Compensation Program contains another 40,000 sets of records and individual investment histories.

- The **Department of Health** (DOH) runs five mission critical applications at DIS: the Drinking Water Automated Information Network supporting 14,000 different state water systems requiring 20,000 operating permits and 80,000 bacteriological samples every year; the Women, Infant, and Children/Client Information Management System serving nearly 150,000 clients; and the Newborn Screening Program containing data from 1977 and processing approximately 130,000 records a year.

- The **Office of the State Treasurer** (OST) provides banking, cash management, investment, debt issuance and accounting services for state government, and plays a major role in providing financial services to local governments. As the chief fiscal officer, the treasurer is

responsible for keeping the books and managing taxpayers' money from the time it is collected in taxes until it is spent on programs funded by the Legislature. DIS processes and prints an average of $682 million in payment warrants each month for the treasurer.

- The **Department of Revenue** (DOR) relies on DIS firewalls to protect $150 million in monthly electronic tax filings from businesses in Washington state. DIS mainframe support is used for several critical DOR tax collection applications including local tax accumulation and distribution, fish excise taxes, forest excise taxes and cigarette stamp stock tax.

Customer priorities

DIS is guided in its service planning by close, day-to-day work with customers, through forums such as the Customer Advisory Board and Enterprise Management Group, and through consulting with agencies to plan their IT portfolios and funding proposals for Information Services Board approval. Additionally, DIS is using the responses and priorities measured by Gilmore Research Group in the agency's 2001 customer survey to support service decisions and customer relations programs for the coming biennium.

As indicated by the survey data, the top priorities of DIS' customers are, in order of their stated importance: networking services, security issues, electronic commerce issues, Web site enhancements, upgrading software and operating systems, staying informed about new technology and upgrading equipment. DIS' current and planned services are well aligned toward these customer priorities. Operational planning must maintain current levels of reliability and availability for customers' priority services within current FTE allowances.

In the survey, customers were also asked to grade DIS' customer support function. DIS scored high marks for customer service in brokering services, telecommunication services, help desk and consulting support, software licensing and helping organizations save money. Customers also scored DIS high on the agency's practice of evaluating, adopting and guiding customers through choices in new technologies. Survey respondents suggested that DIS communicate more service information to its customers.

The agency will focus specifically on improving outreach and communications for 2003-05 so that more eligible organizations learn about the technology services and cost-effective product available through DIS

2003-05 OBJECTIVES AND STRATEGIES

OBJECTIVE ONE
Ensure business continuity for major IT systems

Because technology is imbedded in the function of today's public services, DIS will continue to invest in the networks, mainframes, servers, secure access tools and other infrastructure that keep government functions up and running around-the-clock. It is critical that public services are readily available to those authorized to use them, and protected from those who are not. DIS customer organizations are using their major IT systems to directly serve hundreds of thousands of citizens every day, so expectations are high. Citizens expect reliable, secure access to government information 24 hours a day, seven days a week, 365 days a year.

Strategies

Invest in infrastructure capacity and resiliency

DIS goals: *maximize state infrastructure investment; first-class service*
Governor's policy priorities: *economic vitality; restore trust in government*

Online services for government organizations and the public depend on high capacity, secured data networks and computing systems that are managed by DIS. The agency's customers reported network availability, security and the ability to conduct business over the Internet as their top technology priorities in a 2001 survey conducted by Gilmore Research Group. Washington is fortunate to have an integrated physical network interconnecting state organizations, along with three distinct logical governmental networks within that infrastructure. These logical networks are the Campus Fiber Network, State Governmental Network and Intergovernmental Network. DIS is also responsible for the deployment and daily management of the K-20 Educational Telecommunications Network.

2003-05 direction

Establish resilient connection to the Internet. Today the Internet connection for state and local government is located in Seattle. While there are two separate and unique connection paths for the ISP connection, Seattle remains the focal point for all Internet activity. Given the events of September 11, 2001 and the Nisqually earthquake on February 28, 2001 it has become clear that state and local government needs to have a backup connection path to the Internet that does not utilize the Seattle telecommunications infrastructure. A factor that compounds the difficulty with establishing a secondary connection away from Seattle is the fact that the telecommunications industry has established Seattle as the major Internet gateway for the Pacific Northwest. DIS is working with a number of vendors to identify a second connection point that reduces the reliance upon a single geographical point in Washington.

Add bandwidth to accommodate new technology. Upgrades and purchases of network equipment will continue to take advantage of new broad-bandwidth technologies. DIS also expects to make continued investments in automated network monitoring and performance tools. To meet customers' new business requirements for accessing networks via wireless devices, DIS plans to

continue investigation and implementation of emerging wireless technologies and Voice over Internet Protocol (VoIP).

Examine business resumption plans for state infrastructure. In the event of an emergency or disaster, restoring critical public services is paramount. For 2003-05, DIS will focus on refreshing its business resumption plans, to establish appropriate business resumption options for current technology, including a redundant data center east of the Cascade Mountains. This effort will include general recommendations for customer-owned systems.

Protect mission-critical state business with data network security

DIS goals: maximize state infrastructure investment; collaborative problem solving; first-class service
Governor's policy priorities: economic vitality; restore trust in government

The past 10 years have witnessed a 50-fold increase in electronic traffic between the Internet and state and local government networks. This traffic must be protected to maintain citizens' trust in government, but incidents such as virus attacks constantly threaten to shut down private and public sector business alike. DIS' ongoing priority in the network security arena is to protect the state's assets and keep government business running around-the-clock.

In addition to deploying sophisticated security technologies on the networks under its management, DIS is sponsoring the Washington Computer Incident Response Center (WACIRC), a partnership of authorized agency security contacts. Governor Locke outlined formation of the WACIRC partnership as a critical domestic security measure in a December 2001 letter to the Information Services Board Chair.

2003-05 direction

DIS will promote participation in WACIRC during the 2003-05 Biennium, recognizing that the "chain" of state security and business continuity is only as strong as its weakest link. This partnership's goal is to support enterprise-wide security through formal communications about and tracking of computer security incidents, statistics, trends and best practices. Information on security-related incidents or weaknesses that are collected without communicating that information fails to provide any value to state government as a whole. Collaboration around such information is the foundation of a strong defense strategy for the entire state government information infrastructure.

WACIRC will:

- Establish a reliable process for reporting computer security related incidents, which includes a hotline, fax protocol and other computing-independent communication methods

- Coordinate the response activities of state agencies —46 participants involved to date

- Facilitate timely technical and security information-sharing among agencies

- Foster cooperation among agencies for the effective prevention, containment and recovery from computer security incidents

Invest in continuous availability and Web-readiness for computing systems

DIS goals: maximize state infrastructure investment; first-class service
Governor's policy priorities: restore trust in government; public safety and health; economic vitality

The service demands of DIS customers and the citizens of Washington require continuous access to state government data and systems. In response to these demands, DIS supports its computing services customers with the following advancements.

2003-05 direction

Advance continuous availability. There are 31 sub-projects in the continuous availability initiative that carry over from the 2001-03 Biennium. Coordinated across DIS, these projects will incrementally improve processes, reduce risk to production work, and optimize new hardware and software options. Systems that will benefit include major public health, law enforcement and internal government operations systems.

When complete, these projects will ensure that agencies — and their citizen customers — will have around-the-clock application availability. Any outages will be virtually invisible to the agencies and citizens. This initiative is expected to continue through the next biennium with the completion of all sub-projects expected by FY 2006.

Leverage traditional systems. As technology changes, DIS continues to leverage a diverse set of computing systems, positioning these systems to play a major role in customer agency digital government initiatives. Access to these systems and the critical databases that reside upon them is made available through technological advances in software known as "middleware." Through networks, middleware provides access to critical state data. Middleware allows applications that reside anywhere on the network to access, through the Web, data located anywhere — from the more traditional backroom computing systems to the "upfront" servers located in the network. In response to customer demand, DIS plans additional middleware product evaluations for the 2003-05 Biennium.

OBJECTIVE TWO
Continue digital government leadership through innovation

It is not just the deployment of "e-services" but a long-term commitment to digital government that is now built into government service delivery in Washington. During this time of budgetary uncertainty, it is important that DIS not lose the momentum that established Washington as one of the nation's most progressive consumers and developers of information technology. Improvements to existing infrastructure and the adoption of advanced and new technologies are integral to sustaining this momentum. Governor Locke supports this approach, echoed by customers in DIS' 2001 customer survey. In this survey, customers stated they highly value DIS' practice of evaluating, adopting and guiding customers through new technology choices.

Strategies

Realize Web publishing efficiencies with content management

DIS goals: innovation; cost-effective technology access; collaborative problem solving; first-class service
Governor's policy priorities: restoring trust in government

The use of content management software will bring efficiencies to Web publishing, and allow re-direction of work throughout organizations — both at DIS and at customer agencies. By automating much of the routine content creation, workflow and approval routing processes inherent to Web site production, content management can help staff redirect efforts toward more strategic work.

2003-05 direction

DIS is implementing content management software internally, and will offer customers access to a content management software product through a service offering and a master contract. The Academy plans a class to help agencies address the business and technology issues that are known to arise upon implementation of content management systems, and accelerate deployments.

Continue expanding the Access Washington™ and Inside Washington™ portals

DIS goals: maximize state infrastructure investment; innovation; cost-effective technology access; collaborative problem solving
Governor's policy priorities: restoring trust in government; economic vitality

DIS supports the state of Washington's Internet portal, Access Washington™ and the state intranet portal, Inside Washington™. These statewide Web portals deliver the single face of Washington government and support Governor Locke's objectives for digital government. Access Washington is the virtual "front door" to Washington government on the Internet, currently serving over 1.6 million page views a month.

DIS continues to focus on marketing the Access Washington portal to the publicwith the aim of putting the access.wa.gov Web address in every citizen's hand. Increased cross-jurisdictional focus for Access Washington is also planned. This involves integrating local government presence into the portal, and lowering the barriers between different agencies and levels of government.

2003-05 direction

Implement content management. Content management will expedite Access Washington news publishing, create more publishing consistency, streamline manual processes, and implement necessary version controls — all save valuable staff time. The tool will be fully utilized in the portal news by the fall of 2002. DIS plans to implement content management on its own Web site in 2003.

Guide improvements with user feedback. DIS will conduct comprehensive usability studies to ensure the portal is meeting the expectations of its customers. An online user survey is also planned for development in the fall, 2002. The data gathered from the study and survey will be evaluated and used to further enhance and improve the value of the portal, as well as DIS' own Web properties.

Enhance Inside Washington. DIS is working with the central service agencies to "refresh" the Inside Washington portal. The focus of the refresh is to update content and presentation. The launch is planned for the summer, 2002.

Continue to grow Public Key Infrastructure and the use of digital certificates

DIS goals: maximize state infrastructure investment; innovation; cost-effective technology access; collaborative problem solving
Governor's policy priorities: restoring trust in government; economic vitality; public safety and health

During the 2001-03 Biennium DIS successfully implemented Public Key Infrastructure (PKI) and a nationally recognized Digital Certificate Policy to support PKI use in Washington state. With the introduction of PKI in Transact Washington™ — the state's online gateway to secured government services — public agencies now have a single, standardized security infrastructure option that can reduce their security services overhead, and provide their trading partners with a way to conduct state business securely over the Internet.

State agencies and their trading partners are reaping the benefits of the state's PKI investment today. The Department of Health is now able to use Transact Washington to exchange confidential information with health providers; attorneys working with the Department of Labor and Industries now wait only minutes for case file requests that formerly took weeks to fulfill. Now that secure exchanges of sensitive information are achievable online, agencies and businesses can avoid the administrative costs of shipping documents, photocopying, re-keying and other manual interventions of the past.

2003-05 direction

DIS will work to extend the security and business value of PKI into more business processes, and to bring more digital signature utility to customer agencies and their citizen customers. DIS' role will be to investigate and implement the technical tools to achieve this, and to help users learn to manage those tools. To realize the business transforming potential of this highly secure technology, DIS will do the following:

Increase the use of PKI with roaming certificates, new tools. Computer users are increasingly mobile, and today's Web-enabled applications don't require people to use the same computer each time they want to conduct an online transaction. Digital certificates need to be just as mobile as their users. New options under development for the state's PKI program include "roaming" digital certificates. Roaming certificates allow users to digitally sign documents or access secure applications from virtually any workstation connected to the Internet. As the portability of certificates increases, so does their use and business value to the user. The long-term goal is to make a variety of certificate types available to users easily and inexpensively.

Integrate PKI into a greater number of business processes. DIS will work to extend the utility of digital certificates by incorporating their use into an increasing number of emerging security services and business applications. For example, the same certificate used to gain access to Transact Washington could be used to provide authentication for secure file transfers between agencies and individuals, for authenticating telecommuters using Virtual Private Networking and for providing enhanced authentication to secure e-mail systems. Additionally, this same certificate

could be used to provide legally binding digital signatures to electronic documents to reduce paper and streamline existing business processes.

Develop PKI partners in multiple jurisdictions. DIS will continue to provide leadership and consulting services in extending PKI use to both local and federal applications, based on the currently successful certificate policy and technology in place. The 2003-05 Biennium direction for such inter-jurisdictional work is outlined in the "Discussion of Major Partners" section of this plan.

Meet changing demands for video content delivery to the desktop

DIS goals: innovation; cost-effective technology access; maximize infrastructure investment
Governor's policy priorities: restoring trust in government; the environment; public safety and health

DIS continues to stay abreast of trends and changes in video technology and its relation to the Internet. In the past, viewers were satisfied with going to a site to take part in a traditional meeting or participate in a satellite-broadcast program. Viewer expectations now demand that programming be available on the computer desktop at work, home or school. Webcasting meets these changing viewer expectations by sending live programming on demand to wherever citizens have Web access.

2003-05 direction

The merge of video and the Internet is affecting DIS customer preferences for program delivery. To meet customer needs, DIS has added webcasting to its suite of video broadcast services, and will work to grow its use in the 2003-05 Biennium.

Sending out programming to people, instead of sending people out to programming, is particularly useful for distance education, telemedicine, telecommuting and travel avoidance. Webcasting is included in the Best Practices list from the central service agencies along with videoconferencing, video production and satellite broadcasting — all of which can assist agencies in delivering key messages internally and externally at the audience's convenience.

Expand online payment options

DIS goals: maximize state infrastructure investment; innovation; cost-effective technology access; collaborative problem solving
Governor's policy priorities: restoring trust in government; economic vitality

The need for new and ongoing payment options is evidenced in the DIS recent customer survey. Fifty-five percent of DIS customers indicated they would offer a new or upgraded service over the Internet in the next 12 months. Of those customers planning new services, 40 percent plan to collect fees, and 21 percent plan to sell tangible items, such as permits or maps, through their Web sites.

Electronic payments allow fee-based transactions over the Internet anytime, anywhere, at the customer's convenience. Acceptance of credit cards was the first payment option available for digital government business. DIS customer agencies soon requested that the addition of an Internet-based checking service be provided as well.

2003-05 direction

DIS has established a master contract for Internet-based check acceptance, and will work with the vendor and customers on implementing electronic check acceptance for government services. With the Internet check service, the state can securely accept cash debits against checking accounts. Customers use a Web-based interface to "write" the check, but no paper check is required or handled. During the 2003-05 Biennium, DIS will also work with agencies to implement electronic bill presentment.

Support Windows Active Directory across the state enterprise

DIS goals: *maximize state infrastructure investment; collaborative problem solving; innovation; cost-effective technology access*
Governor's policy priorities: *restore trust in government*

Directory Services is one of the emerging new technologies available in the marketplace. The 2001-03 Biennium witnessed deployment of the Windows 2000 forest architecture utilizing Active Directory after a Customer Advisory Board-initiated proof-of-concept. Active Directory can make it possible for multiple agencies to provide simple yet controlled access to their shared applications. Active Directory also simplifies deployment and distribution of applications to workers statewide, and allows IT managers to more easily and quickly change computing and network architecture as their organizations change.

2003-05 direction

Through forums such as the Customer Advisory Board, the Windows Active Directory Steering Committee and the Forest Active Directory special interest group, DIS will continue to provide information and decision support to customers running Windows and considering joining the statewide forest. Existing forest customers are the departments of Social and Health Services, Labor and Industries, General Administration, Personnel and Employment Security.

OBJECTIVE THREE

Balance stewardship and innovation with effective oversight practices

As the state evolves and advances its technology capabilities, the oversight activities, procedures, and policies that guide Washington's IT investments must also keep pace with change. The coming biennium is expected to bring increased attention and focus on aging administrative systems as well as multi-agency projects with multiple funding sources. The pressure of the impending budget shortfall also dictates that agencies investigate and seriously consider new, collaborative approaches to projects. Considerations include funding, risk mitigation, development and ongoing operations. In its support role to the ISB, DIS' Management and Oversight of Strategic Technologies division (MOST) will support agencies in their role as stewards of state IT resources. MOST will assist the agencies as they seek funding, direction and timely implementation of the administrative and multi-agency, multi-fund projects by analyzing and formulating new oversight tools and practices.

Strategies

Develop a policy environment that promotes rapid implementation of new technologies

DIS goals: maximize state infrastructure investment; cost-effective technology access; collaborative problem solving; innovation; first class service
Governor's policy priorities: restoring trust in government

The information technology field is known for its rapid advances, and DIS is an acknowledged leader in implementing many of these technologies. The process of "putting government online" has offered many guiding principles for how to move at the speed of the technology industry within the framework of government. New IT policies can now incorporate these principles, with the aim of promoting the use of new technologies in a coordinated, cost effective manner.

2003-05 direction

As the marketplace develops new technologies, it is important for Washington to use them in ways that best serve the state. DIS will promote the rapid identification, evaluation and implementation of new technologies, supported by policies for managing attendant risk, coordinating efforts on an enterprise basis, meeting accessibility and other citizen needs, and ensuring business continuity for all mission critical applications and infrastructures.

In 2003-05 DIS will:

- Establish policies that ensure new technologies are based on business need, are secure, widely shared, interoperable, easily migrated, adopted and adapted, evaluated on an enterprise basis and assessed and managed for risk.

- Revisit existing policies to see if they are still relevant or if they present barriers to new technologies.

- Implement approaches such as workshops, training and communications to assist agencies in complying with policies and implementing new technologies.

Provide assessment tools for replacing aging technology within budget constraints

DIS goals: maximize state infrastructure investment; collaborative problem solving; cost effective access to technology
Governor's policy priorities: restoring trust in government

Washington has many aging business applications developed in the 1970s and 1980s that are now facing business and technical challenges. Most are behind-the-scenes administrative systems that are integral to day-to-day government functions. These systems are losing their ability to meet business needs due to changes in agency business practices, backlogs in maintenance requests, aging platforms or design limitations. Other issues include weakened or discontinued vendor support for the hardware and/or software on which they run, paired with increased costs for operations and maintenance.

2003-05 direction

To address the issues of aging technology and constrained IT budgets, MOST will focus on the following:

- Develop and conduct a statewide inventory of core systems to assess their status

- Guide agencies through the ISB's Core Systems Framework. Designed as a decision-making tool for investments in core computer systems, it offers a consistent approach for agencies to follow when evaluating a core system for upgrade. This includes checkpoints for business need, policy impact, risk assessment, feasibility studies, and infrastructure sharing with colleague agencies.

- Identify opportunities for coordinated and/or shared IT solutions across communities of interest

- Work with OFM on a prioritization process for IT budget requests that emphasizes the project's business case

- Develop and execute a communications plan to inform stakeholders (ISB, Legislature, OFM, etc.) concerning core system and aging technology issues

Support major IT projects through project management standardization and training

DIS goals: collaborative problem solving; first class service; maximize state infrastructure investment
Governor's policy priorities: restoring trust in government

While the State of Washington has a strong track record of delivering major Information Technology (IT) projects that are on time, on budget and meet requirements, the success rate and project efficiencies can be improved. The extent and format of project reporting varies by agency and by project. Likewise, project management "best practices" are scattered among the agencies and projects within agencies and not centrally documented.

An approach recommended by the Gartner Group[3] and employed for the Year 2000 project that addresses project reporting and management processes is the development of a project office. The five key goals of a project office are:

1. Standard methodology (consistent tools and processes)

2. Resource evaluation (validation of business assumptions and lifecycle costs)

3. Project planning (competency center and library of project plans)

4. Project management (consistent practices and an enterprise model, source of project managers)

5. Project review and analysis

The office can take many forms ranging from a project repository that is a central source of project methodology and standards, up to an enterprise project office that directly manages and oversees projects wherever they occur within the enterprise.

---

[3] M. Light and T. Berg, Gartner Group, R-11-1530, "*The Project Office: Teams, Processes and Tools,*" August 1, 2000

Many of the benefits of the project office approach can be achieved by establishing a virtual project management office. The initial effort should include the development of a project repository and sharing of best practices. Efforts are already underway within the IT community to document best practices related to project management processes.

Likewise, the IT community, in conjunction with the Department of Personnel and the University of Washington, has developed project management training. However, additional training is required. This training needs to be tailored to specific Information Service Board policies and standards and common state IT project management practices.

2003-05 direction

To improve statewide project management, DIS will focus on standardizing and sharing processes, standardizing project tracking and reporting, and by enhancing project management training programs. Steps include:

- Create a virtual project office to populate a repository for agency project management best practices based on the work and input of the Customer Advisory Board.

- Establish links between this project management best practices repository and related tools such as the Core Systems Framework and the Applications Template and Outfitting Model (ATOM). The Core Systems Framework provides the tools for the development of a business case justification required to obtain approval to initiate a major IT project. ATOM provides the linkages to required policies, necessary infrastructure components and useful technologies for the development of a digital government project.

- Develop and provide project management symposia and training courses that are tailored to specific Information Service Board policies and standards, and to common state IT project management practices.

Implement a "portfolio of portfolios" for a statewide view of IT investments

DIS goals: *maximize state infrastructure investment; collaborative problem solving*
Governor's policy priorities: *restoring trust in government*

Portfolio-based IT management and oversight was originally created to guide the stewardship of vital public assets within individual agencies. A natural evolution of portfolio management is to a consolidated view of the state's IT assets. Such an overarching *portfolio of portfolios* can help reduce redundancies in IT spending and allow information technology projects to be viewed through a holistic lens. Doing so also helps IT decision-makers to assess the probable impact of investments on individual programs, as well as on the overall state IT infrastructure. These decision-makers include state executives, DIS management and staff, ISB members, and members of the Legislature.

DIS has renewed the importance of individual agency portfolios; redesigned the original portfolio (Portfolio 2); presented symposia about the importance and changes to portfolio management; and the established of an E-portfolio for tracking key portions of agencies' portfolio submissions.

2003-05 direction

A *portfolio of portfolios* will be the next step in managing the business of IT, and it recognizes the maturing capabilities and complexities of the public sector IT community in Washington state. It also recognizes the continuous advance of technology and the need for the state to see new technology initiatives in the context of total operations. This model draws on private-sector expertise, the experience of other jurisdictions, and demands extensive review and consultation with the public sector IT community, Governor and Legislature.

To achieve the portfolio of portfolios, DIS will:

- Define policy changes necessary to assist in the overall management of IT projects, solutions and infrastructure across the state

- Develop policies and standards with state agencies and the ISB

- Develop a complete electronic portfolio (E-portfolio) that is a prototype portfolio of portfolios

- Develop a software tool that provides a convenient view of projects

OBJECTIVE FOUR

Encourage and enable interagency and inter-jurisdictional collaboration

When budgets tighten, centralization and efficiency opportunities come to the forefront. An outcome of the current state budget shortfall is a need for more interagency cooperation and multi-agency projects that can serve common business needs. Movements such as Government for the New Millennium (G4NM) and Best Practices evidence this for 2003-05. Strategic planning at DIS will support these broader efforts as they take shape. Likewise, a key aspect of DIS' mission is to use technology to support multi-jurisdictional digital government.

Strategies

Encourage and promote the continued build out and use of shared infrastructure

DIS goals: maximize state infrastructure investment; cost-effective technology access; collaborative problem solving; innovation
Governor's policy priorities: restoring trust in government

The state's current budget condition requires agencies to consider taking better advantage of state-offered, centralized and/or shared services, collectively called the shared enterprise infrastructure. Put another way, agencies must do more with less and take advantage of economies of scale already available to them.

The shared enterprise infrastructure is comprised of several components available to and shared among multiple state agencies and local jurisdictions. These components include hardware/software computing environments, data and voice telecommunications, data architectures, Web presentation guidelines and state Web site style guides, enterprise-wide IT services, and associated policies and standards.

A key DIS goal is to ensure that the state makes wise use of its IT assets and takes advantage of them to the greatest extent possible. The agency will undertake the following activities to identify and encourage opportunities for efficiencies:

- During the next 12-18 months, continue work already begun with the Office of Financial Management (OFM) to develop consolidated information technology decision packages

- Encourage decision packages that extend the infrastructure to small agencies that would otherwise not be able to afford these services

- Identify any RCWs that may inhibit the wise and efficient use of IT assets and draft changes to those RCWs during the next 18-24 months; and work with the Legislature during the next 24-36 months to determine if and how those RCWs should be modified

- Work with appropriate stakeholders to begin development of statewide policy for data management and data architecture

- Conduct DIS symposia to inform and educate agencies and local jurisdictions on topics of wide interest

Create policies to better support and enable cross-agency IT projects

DIS goals: maximize state infrastructure investment; cost-effective technology access; collaborative problem solving; innovation
Governor's policy priorities: restoring trust in government

Washington is establishing an increasing number of cross-agency projects to address business needs that impact multiple entities. This approach promotes economies by sharing resources and reducing duplication of effort among the agencies involved.

Currently, DIS has several established governance models that it can look to for examples. These include Washington State Geographic Information Council (WAGIC), Justice Information Network (JIN), Statewide Interoperability Executive Committee (SIEC), K-20 and Salmon Recovery.

Managing these broad-reaching projects involves special considerations, and it is now evident that the state needs formalized methods, processes and policies to ensure their success and optimize the state's existing infrastructure investments. Major issues include how to track efficiencies, establish effective governance and procure funding.

2003-05 direction

DIS will pursue the following policy-related activities to encourage the ongoing development and success of multi-agency projects in the coming biennium:

Determine methods to apply portfolio management to multi-agency projects. DIS will investigate standard practices for identifying, managing, and reporting on multi-agency projects. This may include extending portfolio management tools to multi-agency projects.

Address ownership and communication for multi-agency projects. DIS will establish a method for assigning or allocating ownership of multi-agency projects, so that responsibility is assured.

This may include developing and applying a governance structure, instituting an interagency steering committee (modeled on the Enterprise Management Group) to support cross-agency ownership, and/or utilizing Memos of Understanding (MOU) to formalize roles and responsibilities in cross-agency and multi-jurisdiction/communities of interest initiatives. DIS will also examine how to provide facilitation for the communities of interest who undertake cross-agency projects.

Investigate funding methods for multi-agency projects. DIS will work with the Office of Financial management to explore methods for submission and evaluation of consolidated IT decision packages that represent multi-agency projects.

Additionally, the state has already initiated or modified several tools and processes to identify opportunities for cross-agency collaboration or consolidation of efforts. DIS will continue to make use of these existing tools and forums:

- **Enterprise Blueprint** for shared solutions to financial, budgeting, procurement, HR and reporting system changes and upgrades

- **Core Systems Framework**, which guides agencies through a set of pre-ISB approval checkpoints on their core system projects, specifically coordinating the agencies involved when timing, business needs and technology requirements match up for core systems replacement

- **Decision Package Review**, which has been expanded to include all IT projects regardless of risk level so that they can be reviewed for common features that may benefit from an enterprise solution

- **Government for the New Millennium**, (G4NM), which examines major business projects/processes to identify opportunities for efficiencies on a statewide basis

Focus the Academy on multi-agency and multi-jurisdictional projects

DIS goals: maximize state infrastructure investment; cost-effective technology access; collaborative problem solving; innovation
Governor's policy priorities: restoring trust in government

The Digital Government Applications Academy was chartered in 2000 as a place for agencies to accelerate and synchronize the deployment of digital government applications. Agency business and technical leaders from across government worked together with the business community and industry experts to develop the state's first Internet based permitting and licensing services. From these were created generic application templates that could be replicated into untold numbers and types of digital government services.

By doing this collaborative work, agencies in the Academy set community defined standards for how to deliver service over the Internet and transform business processes. Academy techniques often foster cooperation among departments that have not worked together successfully in the past.

With each completed initiative, there emerges a growing core of business and technical leaders in government who understand the value of working together across agencies and jurisdictions to deliver better service. They experience for themselves that this crosscutting work can be done.

In 2003-05, budget shortfalls and legislative mandates will drive agencies to do more with less. The Academy will help agencies overcome the organizational barriers of a large enterprise to develop new common business practices and service delivery methods to which agencies mutually agree. This will allow agencies to produce results rapidly at an enterprise level, and then share these results in a form that others can replicate. The Academy is uniquely positioned to help agencies drive these important cost cutting changes to completion when no single agency is the natural owner.

Based on these findings, the Academy will focus on the following initiatives for 2003-05:

- **Support enterprise approaches to solving business problems.** DIS will work in coordination with policy, business and technology managers to drive enterprise-wide approaches to service delivery and agency support systems. This will include collaborative development of solutions at both business and technical levels.

- **Help implement Governor's Directive 02-02 to expand the Master Licensing Service to local governments.** With the leadership from the Academy, the Department of Licensing, cities and state agencies will collaborate to enable business owners to obtain business licenses from state and local government in one stop.

- **Support interagency projects at the state level.** DIS will position Academy resources to support increased and ongoing interagency project coordination. For 2003-05, the Governing for the New Millennium movement and related initiatives indicates a growing need for support of such projects at the state level.

- **Create courses to help agencies implement new technology.** As it did with e-forms in 2001-03, the Academy will continue to create courses that help agencies learn to implement new technologies that have broad technological and business impacts on their organizations. On the near horizon is a course on cross agency implementation of content management software.

Help small agencies optimize their use of shared technology resources

DIS goals: maximize state infrastructure investment; cost-effective technology access; collaborative problem solving; innovation; first class service
Governor's policy priorities: restoring trust in government

With less staff and fewer resources, smaller state agencies historically have not had the ability to keep pace with the technology business practices of larger organizations and the private sector, or to provide citizens with online access to their services. These agencies often lack the ability to access the state's internal Web applications, and also face significant IT security risk exposure. The mission of the Small Agency IT Initiative, launched in the 2001-03 Biennium, is to support government's overall IT effectiveness by helping to improve the IT capabilities of organizations that have fallen behind.

2003-05 direction

Co-location. Because technology costs less when more organizations can tap into shared infrastructure, co-location has emerged as a priority condition for funding technology infrastructure

improvements at small agencies. DIS will play a lead role in recommending the proper technology investments for specific co-location scenarios under development at General Administration (GA) and the Office of Financial Management (OFM). Where co-location is not feasible, DIS will help agencies develop budget requests for State Government Network connections and potential hardware improvements.

Consulting. DIS' Small Agency IT Initiative will provide the technical leadership and consultation to help small agencies realize the benefits of modern IT infrastructure. This includes conducting site assessments, providing educational seminars on technology topics, making recommendations on cost-effective products and procurement options, and helping small agencies build budget requests for technology investments.

Collaboration. Small agencies have great potential to reduce their collective IT costs through partnerships, information sharing, and IT knowledge transfer across jurisdictional and functional boundaries. DIS will serve as a coordination point where new partners can be matched based on their business and technology needs. DIS will continue to work with GA and OFM to encourage and facilitate creative operational partnerships between small agencies.

OBJECTIVE FIVE
Seek additional cost advantages for DIS customers

At the heart of DIS' purpose — and a key part of the agency's enabling legislation — is DIS' responsibility to seek out and achieve cost savings for its customers. DIS does this in several ways, including purchase aggregation, aggressive contract negotiations and periodic rate reductions. As the following strategies describe, this is especially important for 2003-05 and beyond, in light of budget cuts at all levels of the public sector.

Strategies

Continue to aggregate IT buying power for price advantages

DIS goals: cost effective access to technology; first-class customer service; innovation
Governor's policy priorities: restoring trust in government; economic vitality

Under the state's acquisition policies for information technology, DIS establishes statewide master contracts, offers desktop leasing programs, and provides brokering of technology goods and services. The intent is to maximize information technology buying power by aggregating the purchases of customers in state and local governments, the education sector, tribal organizations and qualifying non-profits. This results in high-volume pricing on small orders that, if placed independently, would be significantly more expensive. In 2000, DIS began offering this service online in a one-stop technology shop: the Washington State Technology Mall (TechMall).

The TechMall is an Internet catalog of technology products and services on contract for use by public organizations and qualifying non-profits. Using the TechMall, customers can "window shop" for PCs, cellular phones, software and dozens of other IT products and services before making a final purchasing decision. All purchases made through the TechMall adhere to the Washington State Acquisition Policy.

2003-05 direction

The 2001-03 Biennium brought many enhancements to the TechMall's design and interface, as well as a name change from the original EMall. The strategic direction for the 2003-05 Biennium is to continue to promote the availability of the TechMall to DIS customers, who may not realize the cost savings they can gain on their day-to-day technology purchases. In particular, DIS will promote its Western State Contracting Alliance contracts and its aggressively re-negotiated Microsoft Select software agreements. Through these programs, DIS can offer state and local government organizations the benefits of special discount pricing normally available only to very large corporate customers. In addition, purchasers enjoy the benefits of favorable pricing while ordering products on an "as-needed" basis rather than having to commit to large-quantity transactions.

Help DIS customers move ideas without moving people

DIS goals: collaborative problem solving; cost-effective access to technology; education
Governor's policy priorities: restoring trust in government; the environment

To meet the requirements of Governor's Directive 02-03, state agencies are being asked to achieve travel reduction targets to meet the 2001-03 supplemental budget. If caseload forecasts are accurate, these types of reductions and curtailments are expected to continue through the 2003-05 Biennium. The reality of working within this directive means agencies must use creative problem solving and new means of connecting with each other and with citizens for long-distance business and education.

2003-05 direction

DIS will work to raise statewide awareness of the travel-free services available for conducting business and education anywhere around the state, region, nation — even internationally. Video production, telephone conferencing, webcasting and LISTSERV are powerful connection tools individually, and are particularly effective when used in combination for more interactivity. These services are already bringing thousands of people together every month for participatory programming, classes, meetings or presentations when travel costs are prohibitive.

Provide and use Best Practices services

DIS goals: collaborative problem solving; cost-effective access to technology; first-class customer service
Governor's policy priorities: restoring trust in government

With state resources continuing to tighten, state agencies must find opportunities to streamline administrative processes and stretch precious dollars. Learning from and integrating established best practices of the existing central services agencies will result in statewide efficiencies and cost savings over time.

2003-05 direction

In a cooperative effort, the Office of Financial Management and the departments of General Administration, Information Services, Personnel and Printing have assembled a list of 29 agency central services determined to be Best Practices. In addition to providing competitive rates for these services, the providing agencies have absorbed substantial administrative time and costs for

completing acquisitions for the services. The efficiency of using Best Practices is recognized by the Legislature, whose members specifically directed agencies to use the Best Practices services in 2001-03 supplemental operating budget instructions.

To aid in overall cost savings to the state and to support the Best Practices mission, DIS is providing 12 of the services on the list and is using many of its colleague agencies' Best Practices offerings. DIS will continue to make deliberate use of Best Practices during the next biennium and beyond. A significant Best Practice adoption occurred in 2002 when the agency successfully deployed the Office of Financial Management's online Travel Voucher System within DIS.

OBJECTIVE SIX

Continue sound, strategic business practices within DIS

Sound, strategic business practices are the foundation of effective government, a key component of the DIS mission. These business practices include first-class customer service, internal and external customer dialog, effective administrative processes and use of technology to solve business issues. To continue to be effective, DIS must attract, develop and retain the best talent available, and support DIS employees with a healthy work environment where staff have the tools and training needed to be successful. DIS rewards innovation by recognizing employees who take and manage appropriate risk. Financial accountability remains a priority.

Strategies

Use research to support customer relations, communications and outreach

DIS goals: first-class customer service; maximize state infrastructure investment
Governor's policy priorities: restoring trust in government

The 2001-2003 Biennium saw enhanced coordination and cohesion in DIS' communications practice. Proactive media relations resulted in national publicity for the state's technology innovations, including a feature article in *Forbes* magazine and a feature article with placement of Governor Locke on the cover of *Government Technology* magazine. Access Washington was firmly established as a vital communication channel for the Governor's Office and other state agencies to reach the general public, especially during emergencies. The agency also supplemented its outreach to specific customer populations, including tribal organizations, small agencies and local governments

In 2001, the agency also contracted with Gilmore Research Group to survey over 800 DIS customer contacts about their technology priorities and their satisfaction with service delivery. This first-hand research provided a deeper understanding of customer needs, providing both quantitative and qualitative data to support decisions about new services and enhancing outreach to customers. DIS management teams used the survey data to plan follow up activities, with particular concentration in the areas of communications and customer relations.

DIS will focus on these the following priorities for communications and outreach:

- Continue to build the meaning of the DIS brand

- Serve customers as "one DIS"

- Cultivate a culture that values and practices regular outreach

Specific activities to meet these priorities include:

Continue to distribute agency's new electronic newsletter. *DIS Tech News* currently reaches approximately 1,400 recipients in state and local government and continues to grow with each new edition. (http://www.wa.gov/dis/role/news/index.htm)

Increase the agency's face-to-face outreach to individual customers and groups. DIS will participate in more customer conferences, presentations and meeting forums, including Association of Counties and Cities (ACCIS), the Information Processing Management Association (IPMA), the Tribal Technology Vision Conference, and other government and technology related events.

Continue to upgrade and enhance Web properties. The DIS Web site, Inside Washington and Access Washington are key communications and marketing channels for the agency and the statewide enterprise.

Support "one DIS" with The DIS Customer Relations Management (CRM) Group. This cross-divisional forum communicates emerging business needs of DIS customers and collaborates on how to meet those needs. Members use the group's regular meetings and listserve to track customer issues, to share news of divisional activities, to learn about new technologies that can support customer relations, and to review and recommend new projects to support the agency's overall customer service goals.

Conduct a biennial customer survey in 2003. The results of the 2001 survey established a performance baseline that can be tracked over time, so the 2003 survey will be designed to measure the impact of programs developed and implemented between surveys.

Focus on billing enhancements

DIS goals: *first-class service*
Governor's policy priorities: *restoring trust in government*

In direct response to feedback in the 2001 customer survey and interviews with cabinet agency directors, DIS will continue working on projects to help customers understand and use their DIS invoice as a cost management tool.

2003-05 direction

This customer-driven set of projects involves the following activities for 2003-05:

- Promote electronic invoices as an alternative to paper invoices for easier data analysis and less paper consumption and storage

- Clarify and actively publicize the billing media and support available to customers

- Proactively work with customers to customize their invoices to meet their internal accounting and cost management requirements

- Offer more thorough online billing assistance and resources through the DIS Web site and customer support areas

Automate administrative processes

DIS goals: innovation; maximize use of state infrastructure investment
Governor's policy priorities: restore trust in government

DIS has initiated projects to improve administrative processes and allow future querying for patterns and performance. The benefits of these projects are expected to increase in the 2003-05 Biennium.

2003-05 direction

The following projects have been initiated :

- Online Customer Service Agreement

- HR/Admin database

- Online leave system (now in Phase II and processing 1100 leave slips per month)

- Online travel voucher system (implemented using OFM's application)

- Online Personnel Action Request (PAR)

- Online employee checklist for hiring and departure procedures

- Customer Service Agreement and Service Level Agreement database

- Customer contacts database

Maintain cost recovery and financial accountability

DIS goals: maximize the use of state infrastructure; innovation
Governor's policy priorities: restoring trust in government

DIS will continue to ensure appropriate cost recovery for services, including sufficient funds to enable technology replacement, allow for service growth and continue investments in the infrastructure and innovation customers require as they serve citizens with digital government.

DIS is committed to a strong internal financial control structure to ensure compliance with state laws and regulations and to safeguard state assets. The state auditor performs an annual audit of the agency's legal compliance, internal control, and financial statements.

2003-05 direction

DIS' 2003-05 goals are to maintain a two percent margin and to have zero audit findings for the period.

Attract, develop and retain human resources for continuity

DIS goals: *first-class service; innovation*
Governor's policy priorities: *restoring trust in government*

In 2002, DIS updated its plans to address emerging needs for staffing, retaining and training employees. Providing good service to technology customers depends on keeping rapidly changing technology skill sets up to date, and recruiting competitively — often against private sector technology companies. Finding methods for passing on specialty knowledge of customer systems is crucial as more employees retire.

The following issues will be important during the 2003-05 Biennium, and are addressed in detail in those internal plans:

2003-05 direction

Plan ahead for continuity in human resources. Thirty-five to 40 percent of DIS employees will be eligible to retire in four years. To support continuity planning for mission-critical positions, a revised Tuition Reimbursement Policy and Employee Recognition Program will be used as tools to attract and retain qualified employees in state technology work. Partnerships with community colleges will be established to identify programs or opportunities that aid in developing candidates qualified to replace the retiring technical workforce. Face-to-face outreach will occur at customer conferences, technology fairs, career fairs and other events as a means of attracting qualified employees to state technology work. Mentoring and coaching by experienced coworkers will be encouraged to improve the abilities of new and existing employees to accomplish the work of exiting staff.

Increase the agency knowledge base from within. DIS will provide more in-house, low cost training on key business, technical and management skills for agency staff. To address the continuing need to develop the technical skills of DIS staff, resources for technical training will be identified and opportunities created for staff to acquire the skills and knowledge needed to support DIS' technical environment. Other training will include handling public disclosure, records retention, ethics, trademarks, copyrights and privacy.

Continue diversity planning. DIS will continue outreach and planning to attract a diverse workforce.

Proactively mitigate risk

DIS goals: *collaborative problem solving; education*
Governor's policy priorities: *restoring trust in government*

Maintaining a safe, supportive work environment is critical to the health, morale and productivity of agency staff. Moreover, each public organization plays an important role in reducing the state's overall exposure to risk and costly legal proceedings. To support agency and state risk mitigation strategies, DIS will continue the following practices and procedures in the coming biennium.

2003-05 direction

Keep agency policies current. Formalize the agency's process for adopting and maintaining internal policies.

Focus on employee safety. Safety and wellness issues will receive increased focus, especially in light of new workplace ergonomics rules.

Keep mandatory training compliance at high levels. The agency achieved excellent results in mandatory training completion during the 2001-03 Biennium, and will seek to maintain these results for 2003-05. One hundred percent of new employees completed all mandatory training and orientation. Among all employees, completion rates ranged between 95 and 98 percent for ethics, diversity and harassment prevention training.

Support supervisors with management training. The agency has recognized a need for ongoing development of management skills among managers and supervisors with the aim of reducing risk and liability in employment matters. Training that will be emphasized in the 2003-05 Biennium includes the Department of Personnel's HELP Academy, diversity training and harassment prevention.

Satisfy the Information Services Board's security awareness training requirements.

DISCUSSION OF MAJOR PARTNERS

The Intergovernmental Network (IGN)

The IGN provides a single dedicated communications link between cities and counties in Washington and state agencies that require critical secured access to organizational databases. The anchor tenants of the IGN are the Department of Health, Washington State Patrol, Washington Courts and Department of Social and Health Services. Operating as a statewide intranet, the IGN gives county health departments, courts and law enforcement access to critical state information through a cost-effective network solution.

Before DIS built the shared IGN, state and local governments typically had a separate, proprietary network connection for each service. Today, as local governments move to local area networks and common standards, they can consolidate their network connections through a single IGN "point-of-presence" in the state's 39 counties.

DIS will continue to expand information sharing capabilities among state and local governments through the IGN. The IGN is layered on the statewide digital "backbone" of the state's public telecommunication infrastructure. The backbone serves more than 500 organizations and supports a multitude of essential services and business transactions.

During the coming biennium, the state will work with local government to identify critical applications that can be shared between local government jurisdictions. In addition, DIS and the Association of City and County Information Services (ACCIS) will continue to work together to develop critical security and application standards.

K-20 Educational Telecommunications Network

The Washington State Legislature established the K-20 Educational Telecommunications Network in 1996 to provide cost-effective telecommunications transport services to schools and libraries located throughout Washington. This network began operation in 1997 and now serves over 420 educational sites distributed throughout the state. Principal objectives of the network are to leverage the state's buying power through competitively acquired statewide telecommunications contracts, to provide the same quality of service in rural areas as in urban areas, to provide services to all areas of the state at a uniform rate and to lower the cost of service through economies of scale.

2003-05 direction

The goal for K-20 Network operations is to continue to provide a high quality of service to all participants, meeting needs for increased bandwidth without increasing overall network expenditures. The K-20 Network will serve public library systems and designated private baccalaureates in addition to the public educational sectors. DIS does not anticipate that additional user communities will be added during the 2003-05 Biennium.

Broadband Networks. During FY03 DIS will implement one or more proof-of-concept configurations to integrate high speed (e.g., 10, 100 Mbps) Ethernet service into the K-20 Network. DIS expects that the evolution from T1 access to Ethernet access will be a major activity in the 2003-05 Biennium.

IP-Based Video. During FY03 DIS will also conduct proof-of-concept testing with IP-based video over the K-20 Network. It is anticipated that the beginning of this evolution from ISDN-based video to IP-based video will be a major activity in the 03-05 Biennium

Geographic Information Technology

Strategies for geospatial information sharing and related technology investments reiterate DIS' overall priorities for 2003-05. This includes an emphasis on interagency and inter-jurisdictional collaboration where shared business issues arise. The strategic approach for 2003-05 in the geospatial information arena encompasses the following:

- **Facilitate cross-agency collaboration and investment in fundamental geospatial data themes to serve as a standards based data framework for policy and decision support activities.** Such data themes are the foundation necessary for effective business, science and government use of geographic data. An example of such a fundamental data theme is for the location and size of the state's water features (rivers, streams, lakes, etc.). Currently, this data is collected and maintained differently by separate organizations. Consequently, there is no standard frame of reference on which research-based policy — such as salmon recovery — can be built.

- **Create community-driven standards for geospatial data collection, maintenance and access.** DIS will continue to support the Washington State Geographic Information Council with coordination resources. Through the stakeholders in this group, a community-driven direction for data standards and policies can be forged.

- **Infuse executive support from the Information Services Board.** The newly formed Geographic Information Subcommittee of the Information Services Board can play a role in realizing the creation of standardized geographic data themes and in championing the policies and standards to support them. This subcommittee was chartered in 2002 to represent the strategic interest of a coordinated, enterprise approach to utilizing geographic information technology and to provide leadership for implementation of cost-effective, collaboratively developed spatial data management solutions.

- **Successfully implement elements of shared infrastructure to meet agencies' needs for providing Web access to key geospatial data themes.** DIS, through WAGIC, the CAB and ISB Geographic Information Technology Subcommittee, will continue to explore agencies' need for cost-effective solutions to providing Web-based access to appropriate GIS information and maps.

- **Long-term view.** In 2003-05 the initial success of collaboratively developed standards, fundamental data themes and Web access infrastructure will establish a foundation for more to be created and implemented over the four to six-year period.

Justice Information Network

The Justice Information Network (JIN) is an ongoing partnership of state and local law enforcement practitioners whose goal is to share criminal justice information that increases the efficiency and reach of public safety programs statewide. With online access to fingerprints, court documents, photos, criminal histories and more, JIN will enable the justice community to quickly identify

dangerous offenders, assemble complete criminal histories for trials and perform fast and accurate background checks.

The DIS director currently chairs the Justice Information Committee (JIC), which was formed by the Information Services Board and includes representatives from the Office of Financial Management, Department of Corrections, Department of Licensing, Washington State Patrol, Washington Courts, Office of the Attorney General and local government entities. Activities of the JIC are originated and driven by its representatives. Alternative governance models are under consideration.

To make the vision of a digital justice enterprise a reality, the JIN community formulated three strategic objectives defined in the 2001-03 Justice Information Network Integration Blueprint. Collectively, these objectives represent the enterprise goals of a shared digital justice system in Washington state continuing through 2003-05:

- **Implement a real-time statewide automated fingerprint identification system.** This strategic objective will cast a tight net around criminals who attempt to conceal their true identities and their criminal histories by using an alias at the time of arrest or investigation. Without positive identification, violent and habitual offenders may elude warrants for their arrest in Washington and other states. The automated identification effort connects 20 existing electronic fingerprinting systems located in local criminal justice agencies to the state automated fingerprint identification system (AFIS) and the criminal history system.

- **Make available complete, accurate and timely information on suspects and offenders.** This objective is directed at giving the justice system the information necessary to administer justice fairly and effectively. To do that, justice agencies must have information for decision-making at critical stages of the justice process. Complete and accurate criminal history information must be available when and where it is needed, and in a form that is useful. With complete and accurate criminal histories, prosecutors and judges will be able to apply the full weight of the law against violent and habitual offenders.

- **Develop a concept for interactive network access to a Summary Offender Profile available to justice agencies throughout the state, from a single terminal.** This objective is aimed at providing criminal justice practitioners and other authorized users with a single source of information necessary to make daily decisions on criminal cases as they are processed through the system.

State Interoperability Executive Committee

The State Interoperability Executive Committee (SIEC), chartered by the Information Services Board and staffed by the Department of Information Services, is the agency-neutral assembly point where state and local agencies and commissions can work together to achieve radio interoperability so that all public safety officials can communicate with each other in real time.

The SIEC has been tasked to work with state and local agencies and commissions to seek partnerships between state and local public safety agencies; develop a set of standards for radio interoperability; develop an interoperability plan for the new 700 MHz public safety band; limit regulatory and political boundaries; design and complete a statewide antenna database based upon GIS data; and begin designing a state public safety system that will allow all public safety officials to communicate with each other in real time.

For the SIEC to complete its charge, many federal and international considerations must be addressed. The new 700 MHz public safety band that supports interoperability will not be released from commercial television and the Canadian government until after 2006.

The following agencies have committed to participate in the SIEC by entering into a memorandum of understanding: Washington Association of Sheriffs and Police Chiefs, Washington State Association of Fire Chiefs, Department of Natural Resources, Washington State Patrol, Washington State Department of Transportation, the Military Department's Emergency Management Division, Department of Information Services and Washington State Department of Corrections.

The SIEC expects to complete the following tasks within the 2003-05 Biennium:

- Develop partnerships with state and local agencies and commissions
- Develop standards to allow the eventual connectivity of jurisdictions to an interoperable state system
- Completion of a statewide antenna database based upon GIS data
- Complete an interoperability plan for the new 700 MHz public safety band

Public Key Infrastructure Partnerships

Washington's Public Key Infrastructure (PKI) provides public agencies with enhanced levels of trust and authentication for Internet-based transactions. Using a digital certificate issued under a community-defined policy, agencies and their trading partners can use a single electronic credential to conduct business at all levels of government. DIS will help agencies leverage this crucial piece of information technology infrastructure to transform existing processes and reduce costs associated with the development of secure business applications.

At the local level

DIS will work to identify the most likely city-to-business and county-to-business uses of digital certificates and signatures, and will encourage local governments to adopt wider use of the state PKI infrastructure already in place.

At the state agency level

DIS will focus on helping agencies use digital certificates and signatures in day-to-day business. Support services under consideration for this are a central validation service that can provide agencies with a common method for confirming that a digital signature is valid, central indexing and archiving services to meet audit requirements and templates for incorporating digital certificates and signatures into daily business practices.

At the federal level

The strength of the Washington State Certificate Policy has put Washington in a position to conduct pilot digital certificate projects with the federal government. Based on a successful pilot with the Social Security Administration, DIS will continue to work with federal agencies on methods to adopt certificate use at this level. Discussions are currently underway with the Department of Defense for participation in a purchasing application pilot, and certificate policy mapping activities

with the Federal Bridge Certificate Authority are under consideration. The long-term goal is to have Washington state certificates accepted for use with the federal government, as this will aid the many state agencies that are required to complete routine transactions with their federal counterparts.

APPRAISAL OF THE EXTERNAL ENVIRONMENT

The US state and local government marketplace is in the midst of a watershed year. The industry faces three major and conflicting forces: a fiscally constrained economic environment, evolution of e-government services and the introduction of homeland security requirements. Given this market environment, state and local governments will either break through with innovative technology solutions or be tied down by restrictive budgetary measures designed to offset historic shortfalls. In either scenario, 2002 will be critical in the advancement or delay of next-generation government.

IT lies at the very heart of this transformation, enabling governments to connect with their constituents as never before. In particular, e-government has become not only a tool to provide powerful, enhanced solutions to the public but also a key strategic weapon to be wielded by governors and political leaders. E-government has dramatically increased the importance of IT.

– Gartner Group Dataquest Report, 2002 Trends in US State & Local Governments

Public interest

Public use of the Internet

More than half of American households and more than half of all American citizens are now connected to the Internet, according to a Commerce Department study released in February 2002. These census data show that as of September 2001, 143 million Americans — about 54 percent of the population — were using the Internet, and new users were adopting the technology at a rate of more than two million per month.

Public use of online government services

The 2001 National Technology Readiness Survey conducted by the University of Maryland found that more than half of American adults with online access visited a government Web site in the past year. Results of the study reveal that 55 percent of adult Internet users logged on to some type of government Web site in the last year, with 50 percent of users visiting a state or local government site and 33 percent visiting a federal government Web site.

The study also shows that 21 percent of adult Internet users had actually conducted business with a government entity online, a higher percentage of users than had conducted bank transactions online (20 percent), paid a credit card bill online (15 percent) or traded stocks online (10 percent). Analysts commenting on the research suggested that this data shows e-government is, in many ways, even more prevalent than e-commerce.

Public use of Access Washington

Access Washington™ is one of the few DIS services that are consumed directly by the general public. Use of this Internet portal continues to increase, and is currently averaging 1.6 million page views per month. In FY01, the increase was 13 percent over FY00. To date, its Ask George™ search engine serves on average over 7,000 search queries a day, and the around-the-clock customer support site in Access Washington serves on average 4,000 support sessions a month. These key indicators suggest a steady level of public awareness of the state portal for providing a seamless face of Washington government over the Internet.

The business community's call to invest in Washington's workforce

Governor Gary Locke convened the Washington Competitiveness Council in 2001 to address the steps that the state should prioritize to maintain maximum business vitality in Washington. The success of companies, industries and states increasingly depends on an educated, flexible workforce, their access to technology and their ability to rapidly innovate. The Council called for the state to accelerate the training and retraining of workers for high-demand fields, and for Washington to continue to invest in a modern education system, particularly in the fields of science and engineering. This confirms the importance of the K-20 Network in supporting pathways to technology-based employment, and spreading the benefits of technology geographically.

Technology

Capacity and availability

The around-the-clock business operations of DIS and its customers require ever-higher computing and network capacity, and strong assurances against service interruptions.

Volatile telecommunications industry

The private telecommunications sector is expected to remain volatile for at least the next two years. Mergers, acquisitions and other business changes in the private sector have an ongoing potential to affect DIS' internal and customer operations. Strategic planning for weathering this business climate involves close monitoring of the sector and quick action should a private vendor interrupt service.

Licensing costs

The cost of software licensing is expected to continue to be among the state's biggest information technology expenses. DIS will continue to aggressively negotiate the terms of contracts for these services as an advocate for customers' budget concerns.

Economic

State and local government revenue losses

The most critical issue affecting DIS and its customer organizations is the state's overall loss of revenue and attendant budget shortfall. While state agency budget impacts are most visible today, local government budget impacts on DIS' business are not far behind. The effects of revenue decreases and budget cuts at all levels of government will cause workload changes at DIS.

State economic downturn and job losses

Historically, economic downturns brought increased dependence on public assistance. As economically driven caseloads increase at organizations such as Employment Security and DSHS, DIS experiences increases in these agencies' processing volume.

Regulatory

HIPAA compliance

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 will significantly affect several large DIS customer agencies, including the departments of Social and Health Services, Labor and Industries, and Health. Ensuring healthcare data privacy and interchange presents significant technology challenges for affected agencies. HIPAA compliance requirements and deadlines are distributed over the next several years.

Rural telecommunications access

Rural access to telecommunications infrastructure and services will continue to be an issue of interest to regulators, businesses and legislators alike. As a network services provider to the government and education sectors, DIS will continue to follow these issues and support the administration's positions on extending access to rural communities to aid in economic development.

Public disclosure law changes

With the adoption of updated public disclosure legislation during 2002, DIS anticipates the need to assist its customers in identifying, labeling and protecting specific computing-related documentation that became non-disclosable after the June 13, 2002 effective date.

Internet taxation

DIS expects to see e-commerce taxation issues continue to be debated at both the federal and state level.

Civil Service Reform

On April 3, 2002, Governor Locke signed into law SHB 1268, the Personnel System Reform Act of 2002 (PSRA). This law is the most dramatic change to the civil service system since that system's creation more than forty years ago. Over the next three years, the Department of Personnel will create an entirely new human resource system for state government, with new hiring processes, new job classifications, compensation and more. In addition, the expansion in the scope of collective bargaining means that wages, hours and conditions of employment will be subject to bargaining. The PSRA creates merely an outline of reform, meaning significant uncertainty for DIS as the relevant agencies work out the Act's details over the coming years.

Political

Security concerns

Federal Homeland Security initiatives will continue to find their way into state and local projects and budgets. Federal grant monies may provide new funding sources for security-related projects at the state and local level.

K-20 funding

DIS activities supported through legislative appropriations will continue to be under pressure. The $11.3 million FY03 appropriation for K-20 was eliminated in the recent supplemental budget. Ongoing FY03 operations are to be funded from accumulated cash in the K-20 revolving fund previously earmarked for future equipment replacement. Funds will need to be restored in the 2003-05 budget to not only cover planned operational costs, but also the replacement of obsolete and unsupported equipment, to maintain cost-effectiveness of the network and to introduce emerging, improved technologies.

Leadership changes

As an election year, 2002 will bring changes to state and local offices in Washington. Such changes typically have a minimal direct effect on DIS, but have greater potential impact on the business direction of some of DIS' customer organizations.

Scrutiny of governments' technology consumption

At the state level, Washington's budget shortfall reduces monies available for state agency IT expenditures, and will likely bring greater scrutiny regarding the value of IT investments from the Legislature and other stakeholders. On the national stage, the alleged non-competitive State of California contract with Oracle may subject government technology contracts across the country to closer examination. Such events confirm the importance of Washington state's long-standing technology oversight and competitive bidding practices.

Several states have seen legislation introduced that would prevent government's perceived competition with private technology companies. The legislation purports to protect the vitality of the technology business sector by limiting the digital government services that governments can build from within. It is based on model legislation sponsored by the American Legislative Exchange Council.

Initiative process

Citizen's initiatives are likely to continue to impact the state budget process, adversely affecting budget planners' ability to project revenues and plan spending. In turn, this disrupts state agency planning and program funding.

ONLINE INFORMATION ABOUT DIS PROGRAMS AND PRACTICES

The following Web sites provide more detail about how DIS fulfills its statutory purpose and acts on its mission and goals:

The DIS Web site: **www.wa.gov/dis**

Legislative history of DIS: **www.wa.gov/dis/role/authorizing.htm**

The Information Services Board: **www.wa.gov/dis/isb/**

Portfolio Management: **www.wa.gov/dis/portfolio/index.htm**

The Digital Government Guide: **www.wa.gov/dis/role/digitalgovguide/intro.htm**

Information Services Board Core Systems Framework: **www.wa.gov/dis/isb/coresystem/**

ATOM: Digital Government Development Tools: **www.wa.gov/dis/atom/**

The DIS Customer Advisory Board: **www.wa.gov/dis/cab/**

ORGANIZATION CHART

Governor

Communications
5.0 FTEs

K-20 Program Office
1.0 FTE

Director's Office
5.0 FTEs

Information Services Board

Management & Oversight of Strategic Technologies
22.0 FTEs

Information Services Board Staff
Statewide Planning & Policy Development
Project Oversight & Acquisition Review
Digital Government Applications Academy
Justice Information Committee
Geographic Information Council

Computer Services Division
177.0 FTEs

Enterprise Business Solutions
Computer Facilities Management
Data and Systems Recovery
DIS Facilities Services
Production Services
Office Services

Telecommunication Services Division
172.0 FTEs

Local Telephone & Long Distance (SCAN)
Digital Transport Network & Data Networks
Campus Fiber Network
Technology Brokering & Master Contracts
Videoconferencing Services
Intergovernmental Network

Washington Interactive Technologies
32.2 FTEs

Access Washington Portal
Inside Washington Portal
Inside DIS
Digital Government Strategies & Services
Multimedia Design & Development
Video & Production Services
Business Technology Solutions

Administrative Services Division
29.4 FTEs

Human Resources
Contracts & Legal Services
Budget & Finance
Quality & Employee Development

FINANCIAL

Operations analysis

Facilities/equipment/capital plan

Additional capital equipment acquisitions (hardware, software, leasehold improvements and other fixed assets) are expected to be $36.1 million in FY 03-05. Major equipment replacements and system enhancements fall primarily in the Computer Services Division and Telecommunications Services Division, and reflect continuing growth in customers' needs for computing and communications resources.

Supplies and materials

Supplies and materials are a relatively insignificant part of the DIS budget. The primary drivers for supplies are mainframe computer printing, which consumes large quantities of paper and computer output microfiche (COM), which in turn uses large amounts of film and chemicals.

Profit or capital maintenance expectations

To maintain low rates to the customers, profits will be held to a minimum in FY 03-05. Investment in capital equipment will primarily be financed through cost recovery for depreciation.

Operations analysis (financial statements)

Statement of revenues and expenses

The statement of revenues and expenses by program/division for FY 02-05 are included as attachments 1 through 4.

Statement of changes in cash position

The statement of changes in cash position for FY 02-05 is included as attachment 5.

Performance evaluation (current versus prior periods)

Production unit costs

DIS establishes rates for recurring services/products, and quotes prices on request for non-recurring services/products. The agency attempts to provide price stability and buffer client agencies from short-term fluctuations in costs.

Summary level trend data

The summary level trend data showing operating revenues, expenses, and profits (losses) for FY 93 through FY 02 is included as attachment 6.

Performance ratios

Financial performance ratios have been established by DIS as targets for financial control. The performance ratios are:

- **Current ratio:** current assets divided by current liabilities
- **Debt to equity ratio:** debt divided by equity
- **Days of receivables outstanding:** total accounts receivable divided by average sales per day

- **Working capital:** the excess of current assets over current liabilities

- **A current ratio of 2.0 to 1 (1.5:1) is considered safe.** The current ratio will exceed 2.5 to 1 (2.5:1) when cash reserves are allowed to build for planned major capital acquisitions. DIS will target a 2.0 to 1 current ratio for the biennium.

- **The debt to equity ratio should not be allowed to exceed 1 to 1 (1:1).** DIS is targeting to maintain less than a 0.5 to 1 (0.5:1) debt to equity ratio for the biennium.

- **Normally, outstanding receivables should not exceed 60 days.** This measure can be distorted by end-of-the-biennium activity. DIS ended FY 02 with an average of 42 days of receivables outstanding. Target performance ratios for FY 04-05 are less than 45 days of receivables outstanding.

- **Working capital should be sufficient to cover each month's operating expenses and acquisitions.**

- **Actual performance ratios and targets are shown in attachment 7.**

Product/service rates (proposed, prior, current)

Rate schedules for prior and current periods are illustrated in attachments 8 and 9. Attachment 10 is an example of a cost center description and includes the rate-setting methodology.

ATTACHMENT 1

Actual Statement of Revenues and Expenses

Fiscal Year 2002 (Cash Basis in Thousands)

	010 Admin. Services	020 Policy & Regul.	030 Telecom. Services	040 Computer Services	DIS TOTAL
Operating Revenues					
Sales	$66	$1,924	$84,320	$38,354	$124,663
Total Operating Revenues	**66**	**1,924**	**84,320**	**38,354**	**124,663**
Operating Expenses					
Allotted					
Salaries and Benefits	3,070	1,194	12,919	10,480	27,662
Capital Equipment Acquisitions	0	54	7,159	3,470	10,682
Other Operating Expenses	1,598	250	30,372	14,769	46,988
Intra-agency Reimbursement	2,178	17	(2,509)	314	(0)
Total Allotted Expenses	**6,845**	**1,514**	**47,941**	**29,033**	**85,333**
Non-Allotted					
Cost of Goods Sold	0	0	31,045	0	31,045
Depreciation	107	3	9,116	7,986	17,211
Expense Elimination	0	(54)	(7,159)	(3,470)	(10,682)
Total Non-Allotted Expenses	**107**	**(51)**	**33,002**	**4,516**	**37,574**
Total Operating Expenses	**6,952**	**1,463**	**80,943**	**33,549**	**122,906**
Operating Income	(6,886)	461	3,377	4,805	1,756
Income Before Transfers	(6,886)	461	3,377	4,805	1,756
Net Operating Transfers In (Out)	5,933	(240)	(2,851)	(2,842)	0
Net Income	**($953)**	**$221**	**$526**	**$1,963**	**$1,756**

ATTACHMENT 2

Budgeted Statement of Revenues and Expenses

Fiscal Year 2003 (Cash Basis in Thousands)

	010 Admin. Services	020 Policy & Regul.	030 Telecom. Services	040 Computer Services	DIS TOTAL
Operating Revenues					
Sales	$100	$1,827	$81,658	$40,927	$124,513
Total Operating Revenues	**100**	**1,827**	**81,658**	**40,927**	**124,513**
Operating Expenses					
Allotted					
Salaries and Benefits	3,093	1,205	13,486	11,095	28,878
Capital Equipment Acquisitions	5	0	6,793	5,130	11,928
Other Operating Expenses	1,687	373	31,106	14,794	47,959
Intra-agency Reimbursement	2,198	(7)	(2,624)	433	(0)
Total Allotted Expenses	**6,983**	**1,571**	**48,761**	**31,451**	**88,766**
Non-Allotted					
Cost of Goods Sold	0	0	27,867	0	27,867
Depreciation	90	3	9,469	8,775	18,337
Expense Elimination	(5)	0	(6,793)	(5,130)	(11,928)
Total Non-Allotted Expenses	**85**	**3**	**30,543**	**3,645**	**34,276**
Total Operating Expenses	**7,068**	**1,573**	**79,304**	**35,096**	**123,041**
Operating Income	(6,968)	254	2,354	5,831	1,471
Income Before Transfers	(6,968)	254	2,354	5,831	1,471
Net Operating Transfers In (Out)	6,261	(255)	(3,124)	(2,881)	0
Net Income	**($707)**	**($1)**	**($770)**	**$2,949**	**$1,471**

ATTACHMENT 3

Budgeted Statement of Revenues and Expenses

Fiscal Year 2004 (Cash Basis in Thousands)

	010 Admin. Services	020 Policy & Regul.	030 Telecom. Services	040 Computer Services	DIS TOTAL
Operating Revenues					
Sales	$100	$1,784	$81,658	$40,927	$124,469
Total Operating Revenues	**100**	**1,784**	**81,658**	**40,927**	**124,469**
Operating Expenses					
Allotted					
Salaries and Benefits	3,093	1,205	13,486	11,095	28,878
Capital Equipment Acquisitions	0	0	9,045	12,128	21,173
Other Operating Expenses	1,687	270	31,106	14,794	47,857
Intra-agency Reimbursement	2,198	(7)	(2,624)	433	(0)
Total Allotted Expenses	**6,978**	**1,468**	**51,013**	**38,449**	**97,908**
Non-Allotted					
Cost of Goods Sold	0	0	27,867	0	27,867
Depreciation	90	3	9,250	8,657	18,000
Expense Elimination	0	0	(9,045)	(12,128)	(21,173)
Total Non-Allotted Expenses	**90**	**3**	**28,072**	**(3,471)**	**24,694**
Total Operating Expenses	**7,068**	**1,471**	**79,085**	**34,978**	**122,602**
Operating Income	(6,968)	313	2,573	5,948	1,867
Income Before Transfers	(6,968)	313	2,573	5,948	1,867
Net Operating Transfers In (Out)	6,182	(176)	(3,124)	(2,881)	0
Net Income	**($787)**	**$137**	**($551)**	**$3,067**	**$1,867**

ATTACHMENT 4

Budgeted Statement of Revenues and Expenses

Fiscal Year 2005 (Cash Basis in Thousands)

	010 Admin. Services	020 Policy & Regul.	030 Telecom. Services	040 Computer Services	DIS TOTAL
Operating Revenues					
Sales	$100	$1,783	$81,658	$40,927	$124,468
Total Operating Revenues	**100**	**1,783**	**81,658**	**40,927**	**124,468**
Operating Expenses					
Allotted					
Salaries and Benefits	3,093	1,205	13,486	11,095	28,878
Capital Equipment Acquisitions	0	0	8,120	6,838	14,958
Other Operating Expenses	1,687	271	31,106	14,794	47,858
Intra-agency Reimbursement	2,198	(7)	(2,624)	433	(0)
Total Allotted Expenses	**6,978**	**1,469**	**50,088**	**33,160**	**91,694**
Non-Allotted					
Cost of Goods Sold	0	0	27,867	0	27,867
Depreciation	90	3	8,750	8,157	17,000
Expense Elimination	0	0	(8,120)	(6,838)	(14,958)
Total Non-Allotted Expenses	**90**	**3**	**28,497**	**1,319**	**29,909**
Total Operating Expenses	**7,068**	**1,472**	**78,585**	**34,478**	**121,603**
Operating Income	(6,968)	311	3,073	6,448	2,865
Income Before Transfers	(6,968)	311	3,073	6,448	2,865
Net Operating Transfers In (Out)	6,182	(176)	(3,124)	(2,881)	0
Net Income	**($787)**	**$135**	**($51)**	**$3,567**	**$2,865**

ATTACHMENT 5

Budgeted Statement of Cash Flows ($000s)

Fiscal Years 2002 to 2005

	2002	2003	2004	2005
Cash Flows from Operating Activities				
Cash received from customers	$123,030	$124,513	$124,469	$124,468
PC inventory purchased	(31,045)	(27,867)	(27,867)	(27,867)
Payments for employee expenses	(27,662)	(28,878)	(28,878)	(28,878)
Payments for other goods & services	(23,630)	(24,173)	(24,070)	(24,071)
Services purchased for customers	(23,359)	(23,787)	(23,787)	(23,787)
Net cash provided by operating activities	**17,335**	**19,808**	**19,867**	**19,865**
Cash Flows from Investing Activities				
Cash paid for purchase of fixed assets	(10,682)	(11,928)	(21,173)	(14,958)
Net cash used by investing activities	**(10,682)**	**(11,928)**	**(21,173)**	**(14,958)**
Cash Flows from Financing Activities				
Cash paid to STO to reduce note payable	0	0	0	0
Net cash provided by financing activities	**0**	**0**	**0**	**0**
Net increase (decrease) in cash	**6,653**	**7,880**	**(1,306)**	**4,907**
Cash at July 1	**12,407**	**19,060**	**26,940**	**25,634**
Cash at June 30	**$19,060**	**$26,940**	**$25,634**	**$30,541**

ATTACHMENT 6

Operating Statement ($000s)

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Revenues										
Charges for services	$81,808	$76,105	$77,624	$78,826	$81,486	$81,811	$85,127	$93,130	$95,933	$93,237
Sale of products	17,214	13,221	28,473	32,008	40,280	44,099	45,290	37,499	30,599	31,576
Total revenues	**$99,022**	**$89,326**	**$106,097**	**$110,834**	**$121,766**	**$125,910**	**$130,417**	**$130,629**	**$126,532**	**$124,813**
Expenses										
Employee	$23,392	$20,267	$19,696	$21,038	$21,485	$22,201	$22,825	$25,100	$25,642	$27,662
Equipment rent and maint.	6,424	6,672	7,509	7,403	8,658	11,665	10,194	10,737	10,702	11,716
Depreciation/amortization	16,163	13,600	13,336	12,006	12,828	12,822	12,539	12,458	15,876	17,211
Cost of sales	16,677	12,754	27,495	32,272	39,437	46,016	44,136	36,503	30,079	31,045
Services purchased	32,462	30,142	28,160	27,375	25,337	27,103	24,912	28,469	28,214	27,630
Pers. serv. contracts	2,257	1,790	1,437	1,440	1,169	3,024	1,925	1,242	951	633
Facilities	2,263	2,295	2,285	2,510	2,625	2,663	2,670	2,890	3,036	3,472
Education/training	238	295	390	423	466	432	537	633	566	338
Travel	257	135	231	238	271	269	314	304	308	198
Interest on long term debt		149	67	0	0	0	0	0	0	0
Supplies & administrative	4,000	2,578	2,881	3,658	8,793	6,475	8,337	4,393	4,003	3,152
Total expenses	**$104,133**	**$90,677**	**$103,487**	**$108,363**	**$121,069**	**$132,670**	**$128,389**	**$122,729**	**$119,377**	**$123,057**
Increase (decrease) in retained earnings	($5,111)	($1,351)	$2,610	$2,471	$697	($6,760)	$2,028	$7,900	$7,155	$1,756

ATTACHMENT 7

Agency Financial Performance Ratios

Estimated and Target Performance Ratios

	Actual FY02	Estimate FY03	Target FY04	Target FY05
Current Ratio Total current assets divided by current liabilities	2.9:1	2.0:1	2.0:1	2.0:1
Debt to Equity Ratio Total liabilities (current and long term) divided by total equity	0.2:1	0.3:1	< 0.5:1	< 0.5:1
Days Receivable Outstanding Collection period – total receivables are divided by sales, then multiplied by 365 days	42	45	< 45	< 45
Working Capital ($000,000s) Current assets minus current liabilities	22.4	14.0	< 15.0	< 15.0

ATTACHMENT 8

Prior Service Rates

ATTACHMENT 9

Current Service Rates

ATTACHMENT 10

FY02 Cost Center Description

ID   345X

NAME   SNA Network Services

TYPE   Revenue Center Group

MANAGER   John Vargas

FINS Service Offerings

No.	Name	Rate
47	IBM FEP Low Speed	$650 per month
48	IBM FEP Med Speed	$845 per month
49	IBM FEP High Speed	$1,125 per month
50	Token Ring Service	$1.100 per month
51	Host Connectivity	(Per Quote)
63	Zoned Service	(Per Quote)
666	Non-Metered Service	(Per Quote)
681	Tailored Service	(Per Quote)
786	Tailored Zone Service	(Per Quote)
817	Router Connectivity	(Per Quote)
818	Zone Service Installs	(Per Quote)
832	Routed LU's	(Per Quote)
861	Network Management	(Per Quote)

Major Customers (Percent of Revenue)

Department of Information Services	43%
Department of Employment Security	15%
Department of Social & Health Services	10%
Department of Labor and Industries	6%
Washington State Patrol	3%
Department of Ecology	3%
Department of Revenue	3%
Other	17%

Purpose

The SNA Network Service provides planning, implementation and management of data communications systems that provide access and connectivity to System 390 mainframe processing services. Gateways are also provided to other DIS and governmental computer systems (e.g., state and federal agencies, county and local governments, and all

levels of education). The SNA Network Service also provides a focal point for IBM 3X74 communications controller configuration and hardware support.

Services/Activities (2.4 FTEs)

SNA FEP

Provides 1) access/connectivity to DIS System 390 mainframe computers, and 2) gateways to other DIS, state agency and private sector computer systems. These services are provided on DIS IBM communications front-end processors that support customer workstations and FEPS at speeds to 16Mb.

Provides controller/workstation configuration support for customers of the SNA Network

SNA Zoned Network

Provides a shared network facility that includes all the components (i.e., circuits, modems, FEP ports) necessary for a customer to connect a workstation to the DIS data network. This service also includes network planning, design and management support. These services are provided on controllers/workstations at speeds to 56K.

TCP/IP Access Services

Provides TN3270/FTP connectivity to customers on the routed network for accessing the DIS System 390 mainframe computers and/or other DIS, state agency and private sector computer systems. Roles and responsibilities are defined in a service level agreement.

Revenue Forecast/Assumptions

Revenue is based on an assumed 10% decrease in business for cost center 345X.

Significant Changes to Expenditures

None

Significant Cost Transferred In

$96,897 (5.3% of Cost Center 3410) Network Operations

$50.296 (6.7% of Cost Center 3411) Data Network Services

Significant Cost Transferred Out

None

SNA Network Services Cost Components

Cost Center 345X

A.	Total Operating Expense	$554,727
B.	Total Internal Purchase	203,734
C.	Total Transfer From	336,357
D.	Total Transfer To	144,601
E.	Total Overhead Allocation	125,362
F.	**Burdened Expense (A+B+C-D+E)**	**1,075,579**
G.	Revenue (External)	1,002,852
H.	Internal Sales	293,100
I.	**Total Revenue (G+H)**	**1,295,952**
J.	**NET Earnings (I-F)**	**$220,373**

		Low Speed Ports	Medium Speed Ports	High Speed Ports	Token Ring LU's	CIP Connections	Shared Circuits
K.	Total Volume	36	23	42	4,429	3	45
L.	Percent of Total Service	15.0%	13.0%	31.0%	14.0%	9.0%	18.0%
M.	Standard Unit Cost (F*L)/K	$4,481.58	$6,079.36	$7,938.80	$34.00	$32,267.37	$4,302.32
N.	Effective Rate (I*L)/K	$5,399.80	$7,324.95	$9,565.36	$40.96	$38,878.56	$5,183.81
O.	Margin ($ per unit) (N-M)	$918.22	$1,245.59	$1,626.56	$6.97	$6,611.19	$881.49
P.	Margin (percent) (O/N)	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%